Planning and Combination (Planning and Acquisition) Project Proposal

Project Number	15-1172
Project Name	Lake Creek Wetlands Acquisition
Sponsor	Skagit Land Trust

List all related projects previously funded or reviewed by RCO: N/A

Project # or Name	Status	Status of Prior Phase Deliverables and Relationship to Current Proposal?
	Choose a status	
	Choose a status	
	Choose a status	

If previous project was not funded, describe how the current proposal differs from the original.

1. **Project Location.**

The Lake Creek Wetlands acquisition project is located on Lake Creek, where the creek flows into the south end of Big Lake. These waters flow into the East Fork of Nookachamps Creek, a tributary in the Skagit River watershed. Approximately 38 acres of this site are located within the FEMA 100 year floodplain.

2. **Brief Project Summary.**

This acquisition project will permanently protect high quality steelhead habitat on the West Fork of the Nookachamps River. It encompasses 50.3 acres, including over 46 acres identified in the National Wetland Inventory categorized primarily as Freshwater Forested/Shrub wetlands, and a small wooded upland area. It encompasses 3,900 feet of Lake Creek, which moves freely across the property, and 1,000 feet of shoreline on Big Lake. Through fee simple purchase, this project would extinguish residential development rights, prevent commercial timber harvest and other potentially damaging private recreational uses of the site, ensuring permanent protection of the property and its ecosystem functions. The project site is one of the largest intact functioning wetlands in this section of the Nookachamps, and it is potentially significant juvenile rearing habitat for multiple salmonid species. There are two WDFW recorded Off Channel Habitat sites within the project area, and several more just upstream.

3. **Problems Statement.**

A. **Describe the problem including the source and scale.**

The Nookachamps watershed historically has provided important steelhead and Chinook habitat. Washington Department of Fish and Wildlife (WDFW) Washington Integrated Fish Data (SWIFD) identifies Lake Creek, within the project area, as having documented presence of

summer steelhead and documented rearing for winter steelhead. These data also identify a steelhead spawning area just upstream of the project area.

This project is clearly located within the designated and mapped Steelhead Target Area for the Skagit Watershed Council 2015 Interim Steelhead Strategy. In addition, SLT has been in communication with Andrew Fowler (DFW), who is the lead for the 2015 steelhead survey, including Nookachamps Creek. The details of the surveys are scheduled to be released in December, 2015. We requested an early release of information pertaining to steelhead presence and use in the West Fork of the Nookachamps and Lake Creek. We received very limited information about Lake Creek only that no steelhead redds were found. Smaller redds were documented, but categorized as trout. Coho use in the area is extensive and indicative of the absence of fish barriers. SFEG has not done steelhead surveys in the area. As should be presumed with many wildlife species, absence of evidence is not evidence of absence.

The Nookachamps is a low elevation tributary with a large drainage area, low gradient and extensive historic wetlands. Some wetlands are still intact, but others have been lost largely due to conversion to agriculture. In recent history, much of the land in the lower Nookachamps watershed has been subdivided into relatively small parcels for farming and residential development. This has led to degraded water quality due loss of shade, increased sediment load and pollutants.

The project site is one of the largest intact functioning wetlands in this section of the Nookachamps, and potentially significant juvenile Steelhead rearing habitat. Based on historic photos, the wetlands appear to have been undisturbed over-time. It has high quality vegetative cover, pools, and ground water inputs. Lake Creek braids out over the property into numerous deep channels. Stream length of this project would be far greater than measured if the multiple channels were taken into account.

Site characteristics include groundwater exchanges and springs coming off of Devil's Mountain, which buffer stream temperature in Lake Creek through climatic extremes. Channel width and depth is variable, ranging from shallow to deep and wide to narrow. Water flow is also variable, dependent on channel width and volume, with some off channel pool habitat of slow moving water. Riparian cover varies over the site and there are several sources of woody debris. Forest cover is present along the cedar grove on the southwest edge and in the forested wetlands on the east side of the property. Other areas of the site are dominated by shrubs and/or grass. Beavers are active. Insect activity is presumed to be very high based on site characteristics and bird use, providing a reliable food source. The variety of wetlands, channels and floodplain structure at this property provide for multiple steelhead uses – feeding, overwintering, resting, and rearing.

While Chinook have not recently been documented in the west fork of Nookachamps Creek, the entire lower watershed has been identified by the Skagit Watershed Council (SWC) Technical Working Group as having significant intrinsic potential for Chinook rearing habitat due in part to its large drainage area (69 mi^2) and length of channel accessible to spawning Chinook (5.1 mi).

Coho use the tributary for rearing and spawning. There are two WDFW recorded Off Channel Habitat sites within the project area, and several more just upstream. If the SWC's work is indeed expanding to encompass Steelhead habitat together with projects in the Nookachamps, then the qualities of this site make it a good location to begin that new focus.

B. **List the fish resources present at the site and targeted by your project.**

Species	Life History Present (egg, juvenile, adult)	Current Population Trend (decline, stable, rising)	Endangered Species Act Coverage (Y/N)
Winter Steelhead	juvenile, adult	Decline	Y
Summer Steelhead	Adult	Decline	Y
Bull Trout	Adult	Stable	Y
Coho	juvenile, adult	Stable	N
Resident Coastal Cutthroat	Adult	Stable	N
Rainbow Trout	Adult	Stable	N

C. Describe the limiting factors, and limiting life stages (by fish species) that your project expects to address.

This project will protect rearing habitat for Steelhead through the acquisition of high quality riparian habitat, including a braided stream and associated wetlands. This wetland area positively impacts water quality and flows in the Nookachamps through good vegetative cover over an expansive wetland complex, springs and ground water inputs, and off channel habitat.

4. **Project Goals and Objectives.**

A. **What are your project's goals**?

The goal of this project is to protect Tier 2 Steelhead rearing habitat and habitat forming natural processes in the Nookachamps watershed. This will be accomplished by protecting, through fee simple purchase, 3,900 feet of stream bank on Lake Creek, 1,000 feet two small seasonal streams that flow into Lake Creek, and the surrounding wetlands.

B. **What are your project's objectives**?

The objectives of this project are: 1) to acquire 46.3 acres of fee simple titled intact wetlands and 4 acres of forested uplands in the Tier 2 Steelhead Target Area of Lake Creek by December 2016; and 2) to permanently prevent future residential development, logging, or recreational activities within the project area and along the lakeshore.

C. **What are the assumptions and constraints that could impact whether you achieve your objectives?**

Skagit Land Trust has worked to ensure that this project will succeed. This includes numerous discussions with the landowner about this project and the acquisition process, obtaining a preliminary estimate of value for the property and sharing it with the landowner; and most importantly, the Trust has purchased an option agreement from the landowner to ensure that he will not harvest the trees on the property or sell to another buyer for one-year. The landowner is very motivated to sell; if we secure funding, we do not anticipate any delays or obstacles in closing on this transaction. The land trust has a high rate of success with such negotiations, but if for some unanticipated reason, this transaction fails, we will work with the lead entity to identify a suitable substitute property.

5. **Project Details.**

A. **Provide a narrative description of your proposed project.**

This project will permanently protect steelhead habitat on the West Fork of the Nookachamps River. It encompasses 50.3 acres, including over 46 acres identified in the National Wetland Inventory categorized primarily as Freshwater Forested/Shrub wetlands, and a small wooded upland area. It encompasses 3,900 feet of Lake Creek, which moves freely across the property, and 1,000 feet of shoreline on Big Lake. There are also smaller, seasonal creeks on the property. Through fee simple purchase this project would extinguish residential development rights and prevent commercial timber harvest and other potentially damaging private recreational uses of the site, ensuring permanent protection of the property and its ecosystem functions.

This project will protect water quality and natural riparian processes. It will allow the stream to maintain its unrestricted and braided flow across the wetlands, with good riparian vegetation cover. It will protect the ground water and springs that flow into Lake Creek at this site, including wetted off channel habitat. It will also protect the forested uplands on the property from logging and prevent a residential house site and associated development.

B. **Provide a scope of work.**

Skagit Land Trust is responsible for all components of this project.

Late 2015 / Early 2016:

- Commission third party appraisal and review
- Research and review title to the property and resolve any clouds on title
- Commission environmental hazard assessment of property
- Conduct baseline documentation of existing conditions of property
- Make offer to landowner based on appraised fair market value of property
- Set up escrow and close on property

2016:

- Develop long term stewardship plan for the property
- Hire contractor to install fencing along road, if determined to be necessary
- Land survey

- Install signage, noting conservation status of property and funding source
- Removal of dock that is partially located on property
- Ongoing annual monitoring of property, including removal of invasive species

C. **Explain how you determined your cost estimates**.

The acquisition costs are based on preliminary valuation work conducted by a consulting appraiser. If funding is secured, a full appraisal will be conducted by a qualified appraiser; fair market value is determined by using the comparable sales approach. Value for this type of property is driven primarily by its potential economic uses such as residential development, recreational uses, and/or commercially viable timber.

D. **How have lessons learned from completed projects or monitoring studies informed your project?**

Skagit Land Trust owns and manages the Barney Lake wetland complex, also located in the Nookachamps watershed. Our stewardship staff is experienced in managing wetlands, wetland restoration, and facilitating monitoring studies. One key to our success with managing properties is our volunteer land steward program. One or more land stewards from the local community take responsibility for regular monitoring visits and report on any emerging problems, such as noxious weeds or trespassing. We also provide site access to partner organizations that monitor specific indicators, such as fish access and use and water quality.

6. **If your project includes an assessment or inventory** N/A

A. Describe any previous or ongoing assessment or inventory work in your project's geographic area and how this project will build upon, rather than duplicate, the completed work.

7. **If your project includes developing a design:** N/A

A. **Will your project be designed by a licensed professional engineer?**
No not applicable

i. **If not, please describe the qualifications of your design team**.

8. **Will you apply for permits as part of this project's scope?** N/A
No not applicable

A. **If not, please explain why and when you will submit permits.**

9. **If your project includes a fish passage or screening design**: N/A

A. Has your project received a Priority Index (PI) or Screening Priority Index (SPI) number? If so, provide the PI or SPI number and describe how it was generated.

B. **For fish passage design projects:**

i. **If you are proposing a culvert or ach, will you use stream simulation, no slop, hydrologic, or other design method?**

ii. **Describe the amount and quality of habitat made accessible if the barrier is corrected.**

iii. **List additional upstream or downstream fish passage barriers, if any.**

10. **Context within the Local Recovery Plan**.

A. **Discuss how this project fits within your regional recovery plan and/or local lead entity's strategy to restore or protect salmonid habitat**

The West Fork of Nookachamps Creek is identified as a Tier Two Steelhead Target Area in Skagit Watershed Council's (SWC) 2015 Interim Steelhead Approach. It has been incorporated into SWC's habitat priorities for planning, protection and restoration. This project addresses freshwater habitat factors in the decline of Steelhead populations including the protection of rearing habitat and water flow and quality. It is likely high quality steelhead rearing habitat based on food availability (invertebrates and prey fish), wetlands and channel structure variability, and reduced water temperatures.

This proposal meets screening criteria provided in the 1998 Habitat Protection and Restoration Strategy. Most of the parcel is considered functioning floodplain. Even without mapping the multiple channels, the property ranks above the minimum threshold with a Cost Effectiveness score of 37.

B. **Explain why it is important to do this project now instead of later.**

This property is listed for sale, and the landowner is determined to realize economic benefit from the site. He has taken steps to identify legally harvestable timber and filed a Forest Practice Application with the Department of Natural Resources. He has also been in contact with Skagit County Planning Department to determine steps necessary to build a home on the small upland corner of the property. The landowner is in tax arrears and in financial need. The consequence of not pursuing this acquisition are: logging of the uplands, sale of the property on the open market, and likely development of a single family residence. Along with a private residence, there would likely be significant impacts from private recreational uses along the lakeshore and stream. In addition, regardless of local regulations protecting critical areas, land trust staff have observed numerous instances of clearing, filling and draining in wetlands and riparian areas on private lands associated with residential use. There is simply not the local capacity to enforce these regulations at a parcel scale.

C. **If your project is a part of a larger overall project or strategy, describe the goal of the overall strategy, explain individual sequencing steps, and which of these steps is included in this application for funding.**

If SLT succeeds in acquiring the property, it will be managed as a natural area to help maintain natural processes and prevent the spread of invasive species. SLT is open to restoration options. At this time there are no specific steps or plans to expand this proposed protection acquisition. However, SLT would likely seek to protect the adjacent parcels along the creek and in the remainder wetland in the future.

11. **Project Proponents and Partners.**

A. **Describe your experience managing this type of project**. *Please describe other projects where you have successfully used a similar approach.*

Since 2000, Skagit Land Trust has permanently protected 1,279 acres utilizing SRFB funds through either fee simple purchase or conservation easements. This protection was accomplished through 27 separate transactions. SLT is a nationally accredited land trust that owns and monitors more than 25 conservation areas and 33 conservation easements, protecting more than 5,148 acres total.

B. **List all landowner names**.

Property is owned by Kenneth Schorr.

C. **List project partners and their roles and contributions to the project**.

N/A

D. **Stakeholder Outreach**.

There is no known opposition to this protection project. Public acceptance is considered to be high, as these wetlands are highly visible from the lake and Highway 9 and valued for their ecological and scenic attributes. There are no public safety concerns. The project has been discussed with the private landowner and the Skagit Watershed Council Technical Working Group. No other stakeholder outreach is planned.

Supplemental Questions

Acquisition Project Supplemental Questions

A. **Provide a detailed description of the property.**

The project area is 50.3 acres located on Lake Creek, in the Nookachamps watershed (west fork) and is undeveloped. This site contains over 46 acres of intact wetlands identified in the National Wetland Inventory, categorized primarily as Freshwater Forested/Shrub wetlands. The wetlands are also identified in WDFW Priority Habitats and Species data. The project area encompasses 3,900 feet of Lake Creek, which moves freely across the property and has braided channels, and 1,000 feet of undeveloped shoreline on Big Lake.

There is surface water filtration and storage, with 75% of the property located within the FEMA 100 year floodplain. There is good riparian cover. Vegetation includes pockets of good-sized alder and cedar and wetlands forest/marsh vegetation including skunk cabbage, soft rush, slough sedge, reed canary grass, willow, cottonwood, salmonberry, horsetail and spirea. There are intact forested uplands on the perimeter.

Two WDFW Off Channel Habitat Inventory sites for Coho are identified on the property, with habitat areas estimated at 1065 m^2. Noted characteristics of these sites include good rearing conditions, fair spawning conditions, and accessibility to juveniles and adults. One site "…flows into a slow-moving braid of Lake Creek. There is a small, swampy pool present at the entry area."

B. **List type (fee title or conservation easement) and acreage of acquisitions proposed.**

Fee simple acquisition of 50.3 acres.

C. **Do you hold an option or purchase and sale agreement for the property?**

Yes, Skagit Land Trust has purchased an option on this property, securing it for one-year, to ensure that the landowner doesn't sell to another party and that he does not log the uplands. (Attached, Lake Creek Option Agreement)

D. **Describe adjacent land uses.**

There is one small County-owned lakefront parcel adjacent to this project on the west. SLT is looking into the County parcel and will attempt to engage the County in joint management strategies for habitat protection and restoration. All other adjacent parcels are privately owned. There are DNR forestlands a short distance to the west and south on Devil's Mountain. There are also DNR forestlands to the east, on Cultus Mountain.

E. **If uplands are included on the property, state their size and explain why they are essential for protecting salmonid habitat.**

There are approximately 4 acres of forested uplands. Some of the uplands act as a buffer between West Big Lake Boulevard and the wetlands and Lake Creek. They also buffer small seasonal streams that flow into Lake Creek. The trees are also a potential source of large woody debris.

F. **What percentage of the total project area is intact and fully functioning habitat?**

100% of the project area is intact and fully functioning. There is no development or habitat modifications. No specific on site restoration is needed, other than monitoring and removing invasive species.

G. **Is the site in need of restoration that is not part of this grant application?**

N/A

H. **List structures (home, barn, outbuildings, fence, levees, bank armoring, other infrastructure) on the property and any proposed modifications.**

The neighboring lakefront property to the east has a boardwalk that comes onto the Lake Creek Wetlands property, ending with a dock at the lake, and will be removed.

I. **Describe the:**

i. **Zoning/land use:** Agriculture - Natural Resource Lands

ii. **Shoreline Master Plan (SMP) designation:** The SMP draft shoreline environment designation is "Natural", which would require a 200' setback from the lake. The reach ranks very highly in the SMP Draft Shoreline Reach Assessment. It was evaluated for its hydrologic, vegetation and habitat values, ranking at 13 out of 15 points possible.

iii. **Portion of site within 100-year floodplain:** Approximately 75% of the site, or 38 acres, is located in within the FEMA 100 year floodplain – however, based on site characteristics, more of the property may actually be in the floodplain.

iv. **Portion of site within designated floodway:** This property is not located in a designated floodway.

J. **Explain why federal, state, and local regulations are insufficient to protect the property from degradation.**

The landowner has taken steps to identify legally harvestable timber and filed a Forest Practice Application with the Department of Natural Resources (attached, Lake Creek FP Application). Forest Practices are regulated by the State and are exempt from local critical area regulations. DNR Forest Practice rules provide less protection than local critical areas ordinances and allow logging of forested wetlands, such as the alder stand on this property. The landowner solicited three different timber companies to provide estimates of value from timber harvest (attached, Lake Creek Harvest Quotes). He has also been in contact with Skagit County Planning Department to determine steps necessary to build a home on the small upland corner of the property. The owner could request a permit or variance to build a dock or other activities that would alter ecosystem quality. The County cannot legally deny "reasonable use" to a landowner

of their property. This would create additional traffic and use in the wetlands and at the lake shoreline. Regardless of local regulations protecting critical areas, land trust staff have observed numerous instances of clearing, filling and draining in wetlands and riparian areas on private lands associated with residential use. In addition, critical area review is only triggered when a landowner applies for a development permit; in absence of a development application, critical area violations are only enforced when the County receives complaints from concerned citizens. Many violations go on unnoticed and unchecked. There is simply not the local capacity to enforce these regulations at a parcel scale.

K. **For water rights and water savings projects:**

N/A

i. **Describe the mechanism that you intend to use to conserve water (trust, etc.) and explain why this is the preferred approach.**

ii. **Which steps in the water conservation process will be completed under this project proposal?**

iii. **How much water, if any, will be saved as a result of this project? By what methods are you calculating the amount of water conserved?**

L. **For acquisition projects intending to purchase multiple properties within an area, identify the target parcels and how you will prioritize the parcels.**

N/A

Comments

Use this section to respond to the comments you will receive after your initial site visits and after you submit your final application.

Response to Site Visit Comments

Please describe how you've responded to the review panel's initial site visit comments. *We recommend that you list each of the review panel's comments and questions and identify how you have responded. You also may use this space to respond directly to their comments.*

- *"Low gradient wetland channels that characterize at least the periphery of the wetland area are not typical steelhead rearing habitat (although they would be expected to be used by coho)."*

  This comment is addressed in Question 3A (pg. 2), where information has been added about site characteristics that support steelhead rearing and information about 2015 steelhead surveys by DFW. **It is important to note that this project is located within**

the designated and mapped Steelhead Target Area for the Skagit Watershed Council 2015 Interim Steelhead Strategy (Attached, 2_tiers_2015update_steelhead_revised).

- *"Wetlands and open channel areas of this site most definitely would be protected by Skagit County's critical areas ordinance, to the extent that the regulatory protections actually are enforced in practiced.*

  This comment is addressed in Supplemental Question J (pg. 9). It was also addressed previously in Question 10 B (pg. 6)

- *"The general ecological value of the wetland complex and the limitations in the regulatory scheme to fully protect ecological functions and values make the site an attractive acquisition target."*

  We agree. The quality of habitat and its location makes this site unique in many ways; this site deserves a higher certainty of protection than local and state regulations can insure.

- *"Explain how the low gradient, spirea and canary grass-dominated wetlands support steelhead habitat functions in Lake Creek."*

  This question is addressed in part in Question 3A (pg. 2), where site characteristics are described. The wetlands are comprised of reed canary grass and spirea and a host of other herbaceous and shrubby species. Forested wetlands also play a significant role on this property. Forest and shrubs provide shade to maintain water temperatures and debris to maintain complexity. The site is low gradient. This factor may be compensated in part by channel structure, whereby some narrow channels provide greater flow velocity.

- *"Explain how fee simple purchase is necessary to adequately protect these [habitat] values."*

  Fee simple purchase will extinguish the residential development right, prevent commercial timber harvest, and block other potentially damaging private recreational uses of the site. The property will be managed specifically for its habitat values, including floodplain structure, channel complexity, and maintaining and improving vegetation cover and diversity.

- *"Quantification of the habitat areas that provide benefit to steelhead would also be helpful, in addition to visuals on the diversity of habitats that may be available at the site."*

  While quantification of habitat areas would be beneficial, it is not information we have available at this time. A document with photos has been attached in PRISM that provide a sense of site diversity.

- *"In recent years SWC has relied on an objective evaluation and ranking process to prioritize land acquisition candidates for protecting Chinook habitat functions in the Tier 1 Middle Skagit area. If the current project indicates a new trend to protect Tier 2 steelhead habitat functions, it is hoped that the prioritization process can be easily used for Tier 2 steelhead sites."*

  This comment is addressed in Question 10 A (pg. 6). The project meets screening criteria.

- *"Attach option agreement into PRISM."*

  Attached.

Response to Post-Application Comments

Please describe how you've responded to the review panel's post-application comments. *We recommend that you list each of the review panel's comments and questions and identify how you have responded. You also may use this space to respond directly to their comments.*